

<b>ACF</b> Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
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### PROGRAM INSTRUCTION

- To:** State and territorial lead agencies administering the Child Care and Development Fund (CCDF) program, as amended, and other interested parties.
- Subject:** This Program Instruction (PI) informs States and Territories that the Office of Management and Budget (OMB) has approved changes to the Quality Progress Report (QPR) (ACF-218) for the Child Care and Development Fund (CCDF) program for the Federal Fiscal Year (FFY) 2021 and provides guidance for completing and submitting the QPR.
- References:** The Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. § 9858 *et seq.*), as amended by the CCDBG Act of 2014 (Pub. L. 113-186); section 418 of the Social Security Act (42 U.S.C. § 618); 45 CFR Parts 98 and 99; 81 FR 67438-67595.
- Purpose:** The purpose of the annual QPR is to capture state and territory progress on how CCDF quality funds were expended, including the activities funded and the measures used by states and territories to evaluate progress in improving the quality of child care programs and services for children from birth to age 13. The annual data provided will be used to describe state and territory priorities and strategies to key stakeholders, including Congress, Federal, state and territory administrators, providers, parents, and the public.

Specifically, this report will: 1) Ensure accountability and transparency for the use of CCDF quality funds, including a set-aside for quality infant and toddler care and the stabilization grants funded by the American Rescue Plan (ARP) Act funding; 2) Track progress toward meeting state- and territory-set indicators and benchmarks for improvement of child care quality based on goals and activities described in CCDF Plans; 3) Understand efforts in progress towards all child care settings meeting the developmental needs of children; and 4) Inform federal technical assistance efforts and decisions regarding strategic use of quality funds.

Data collected in the QPR, including estimated amounts spent on each quality activity, will not be used to determine compliance with minimum quality expenditure requirements included in the CCDBG Act of 2014 and CCDF Final Rule. Compliance with spending requirements is determined using expenditure data reported in the [ACF-696 CCDF Financial Reporting Form](#).

Because state and territorial activities vary based on each lead agency's system, the Office of Child Care (OCC) recognizes that the data may not be comparable across states and territories. The OCC intends to work with the states and territories to gather any additional contextual information necessary in order to fully understand these data.

**Background:** Lead agencies are required to spend a certain percentage of their CCDF total expenditures on certain activities. In FFY 2021, states and territories were required to spend nine percent of total expenditures on quality activities and three percent on activities to improve the supply and quality of care for infants and toddlers. They are also required to invest in at least one of 10 allowable quality activities included in the CCDBG Act of 2014. In order to ensure that states and territories are meeting these requirements, the CCDBG Act of 2014 and the CCDF Final Rule require lead agencies to submit an annual report that describes how quality funds were expended, including the activities funded and the measures used to evaluate progress in improving the quality of child care programs and services. States and territories are also required to report on quality improvement investments through the CCDF Plan (which collects information on the proposed activities for a three-year period) and through the ACF-696 financial report (which collects quarterly expenditure data on quality activities).

In the QPR, lead agencies are asked about the extent to which the state or territory met their measurable indicators of progress as reported in the CCDF Plans and to provide available data on the results of those activities. Because there is flexibility in administering the CCDF program, it is expected that lead agencies may not have information and data available to respond to all questions. Lead agencies may provide narrative updates in the data sections, including any plans for reporting data in the future, if actual data is not currently available.

**Revisions:** In response to the coronavirus disease of 2019 (COVID-19) pandemic, increased funding as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (P.L. 116-123), and the American Rescue Plan (ARP) Act (P.L. 117-2), and flexibilities in quality funds that states may have used to support families and providers, updates were made to the form to collect these additional data.

**Guidance:** State and territorial lead agencies are required to complete and submit the QPR (ACF-218) for FFY 2021 (October 1, 2020-September 30, 2021). Lead agencies will use an online submission tool to enter and submit their QPR to ACF via the

Web. This electronic submission (“e-submission”) process has allowed ACF to embed the guidance and definitions directly into the QPR document and in the e-submission site.

The QPR gathers basic data on the state and territory goals for quality improvement and on the number of programs and providers benefiting from quality improvement investments. The report is organized according to the 10 authorized uses of quality funds specified in the CCDBG Act of 2014, as included in Sections 6 and 7 of the CCDF Plan:

1. Support the training and professional development of the child care workforce.
2. Improve the development or implementation of early learning and development guidelines.
3. Develop, implement, or enhance a tiered quality rating and improvement system for child care providers.
4. Improve the supply and quality of child care programs and services for infants and toddlers.
5. Establish or expand a statewide system of child care resource and referral services.
6. Facilitate compliance with lead agency requirements for licensing, inspection, monitoring, training, and health and safety.
7. Evaluate and assess the quality and effectiveness of child care programs, including how programs positively impact children.
8. Support child care providers in the voluntary pursuit of accreditation.
9. Support the development or adoption of high-quality program standards related to health, mental health, nutrition, physical activity, and physical development.
10. Carry out other activities to improve the quality of child care services supported by outcome measures that improve provider preparedness, child safety, child well-being, or kindergarten entry.

All sections of the QPR cover the FFY activities (October 1 through September 30), unless otherwise stated (Section 13 of the QPR, described later, has a different time period). Data should reflect the cumulative totals for the FFY being reported unless otherwise stated. In cases where point in time data is used or only partial data exists, lead agencies should provide an explanatory note and describe what the data represents.

Lead Agencies must report the amount of funds spent for each funding source and describe how funds were used. While the OCC recognizes that spending amounts are estimates, they should be more than just a “ballpark” figure. For questions about spending of supplemental funding awarded in FFY 2020 and FFY 2021 (i.e., CARES, CRRSA, ARP), lead agencies should focus on expenditures made during FFY 2021. For all spending questions, a reminder that item “f” in each section only relates to activities funded with the 10 percent of the ARP Stabilization Grants that

could be set-aside for administrative expenses, supply building, and technical assistance NOT the other 90 percent of the ARP Stabilization Grants for direct grants to providers.

Lead Agencies may use data collected by other government and nongovernment agencies (e.g., child care resource and referral agencies (CCR&R) or other technical assistance providers) in addition to their own data as appropriate. The scope of this report covers quality improvement activities funded at least in part by CCDF in support of CCDF activities. If other funds (non-CCDF) were used in support of CCDF requirements or allowable quality activities (e.g., early learning and development guidelines), this information should be reported whether or not the funds were administered by the CCDF lead agency. Each report section includes a question about whether other, non-CCDF funds (e.g., TANF funds spent directly on quality, Preschool Development Funds, state or local funds) were used to support that activity. States should report any non-CCDF funds used for the stated purpose (e.g., training and professional development of the child care workforce) whether or not the funds were administered by the CCDF lead agency.

Lead agencies must describe their progress in meeting their stated measurable indicators of progress for improving the quality of child care as **reported in their FFY 2019-2021 CCDF Plan** – NOT the FFY 2022-2024 CCDF plans that were just submitted. The OCC recognizes that data requested in the QPR will provide only part of the picture of state and territory activities to improve the quality of child care and that goals may have changed. If this change occurred prior to the end of FFY 2021 (within this QPR time period), the lead agency should describe the new goal and progress toward meeting this newly described goal. Note, the change must have occurred BEFORE the end of FFY 2021.

Lead agencies must also submit an annual report (Section 12 of the QPR), as required at 45 CFR § 98.53(f)(4), describing any changes to state or territory regulations, enforcement mechanisms, or other state or territory policies addressing health and safety based on an annual review and assessment of serious child injuries and any deaths occurring in child care programs receiving CCDF and in other regulated and unregulated child care centers and family child care homes, to the extent possible.

#### *Reporting Changes in the FFY 2021 QPR*

Beginning with the FFY 2021 QPR, lead agencies are required to report on a number of new items. In each section, spending questions now include items related to the new supplemental funding streams (i.e., CRRSA Act, ARP Act) in addition to CCDF, non-CCDF, and CARES Act funding sources. Lead agencies are required to report the amount spent towards any allowable quality activity and provide a description of how the funds were used. When reporting on ARP Act funding, lead agencies must report separately for ARP Act Supplemental funding and the ARP Act Stabilization Grant set-aside. As a reminder 10 percent of the ARP Stabilization Grants could be set-aside for administrative expenses, supply

building, and technical assistance. **These spending questions refer only to this 10 percent.**

A new section (Section 13) was added to the QPR to collect data on activities related to ARP Act Child Care Stabilization Grants. The ARP Act included approximately \$24 billion for child care stabilization grants, representing an important opportunity to stabilize the child care sector and do so in a way that builds back a stronger child care system that supports the developmental and learning needs of children, meets parents' needs and preferences with equal access to high-quality child care, and supports a professionalized workforce that is fairly and appropriately compensated for the essential skilled work that they do. Lead agencies must spend stabilization funds as subgrants to qualified child care providers to support the stability of the child care sector during and after the COVID-19 public health emergency. Please refer to the information memorandum [ARP Act Child Care Stabilization Grants](#) (CCDF-ACF-IM-2021-02) for further guidance on the child care stabilization grants made available through the ARP Act.

While the OCC has established a new data collection form, the ACF-901 – American Rescue Plan (ARP) Stabilization Grants Provider-Level Data, as the primary data collection mechanism for reporting related to ARP Child Care Stabilization Grants, Section 13 of the QPR asks about activities related to stabilization grants made possible through ARP stabilization funding.

Section 13 should be used to report on ARP Stabilization Grants ONLY. If a state or territory **did not** issue ARP Stabilization Grant payments to providers before December 1, 2021, the projected date (or actual date if known) for application release should be entered in 13.1 and projected date (or actual date if known) for release of funds to providers should be entered in 13.2 – **no other** items in Section 13 should be filled out if ARP Stabilization Grant payments were not issued to providers before December 1, 2021.

If payments were issued to providers before December 1, 2021, the entirety of Section 13 should be completed.

The following information is requested in aggregate in Section 13:

- Date of application release and date providers began receiving funds;
- Number of stabilization grants awarded by provider type and subsidy receipt;
- The minimum, maximum, and average provider stabilization grant award amounts and average number of awards made to the same provider by provider type;
- Licensed or identified capacity by provider type and child age;
- Number of stabilization grants awarded to providers by gender and race and ethnicity and who are operating in high need FIPS codes;
- If certain providers were targeted for grants and if certain types of uses of stabilization grants were prioritized;

- Supports available to providers during the application process and after receipt of stabilization grants; and
- Methods to eliminate fraud, waste, and abuse when providing stabilization grants;

Throughout Section 13, “awarded” refers to the number of providers who have received stabilization grant payments. All data provided in Section 13 should be cumulative amounts **as of December 1, 2021**. Additional clarification related to Section 13:

- In item 13.3, numbers provided should be an unduplicated count. Providers who receive multiple payments and/or awards should only be counted once.
- In item 13.5, if a lead agency has combined age groups (e.g., information was collected for “infants and toddlers” collectively instead of “infants” or “toddlers” separately), data should be reported in “Mixed age” if no other mixed age information needs to be provided and infants and toddlers should be left blank. If “Mixed age” is used for more than one combined group (e.g., information was collected for “infants and toddlers” collectively and “preschool and school age” collectively), the total number should be reported in both respective categories. For example, if providers were licensed to serve 40,000 infants and toddlers and 60,000 preschool and school age children, 40,000 should be reported for both “infants” and “toddlers” separately and 60,000 should be reported for both “preschool” and “school age” separately, but the total of all licensed capacity should reflect the actual total – not the duplicated amount reported in the separate ages, in this example the total should be 100,000.
- In item 13.6, the OCC has provided the list of FIPS codes in each state and territory that must be reported on by email including the county name for the FIPS code. Lead agencies should use the addresses of the providers applying for a stabilization grant along with the county name to identify providers that should be reported by FIPS code. As a reminder, the FIPS code should be a location where child care services are actually delivered, not a location that is solely for administrative offices. If the provider operates in multiple locations in the state, then the FIPS code should represent the provider location receiving the stabilization grant. Lead agencies will see the required FIPS codes pre-populated in the ACF-218 electronic submission site.
- In item 13.7, lead agencies should report the number of providers who received payments for each specific use that they check. If lead agencies are not able to report on the number of providers who received payments by specific use, they should check off all uses allowed in their stabilization program and include the total number of providers who have received payments for all uses, for each checked use.

Other child care sustainability or stabilization grant programs established or ongoing using other funding mechanisms (i.e., CCDF, non-CCDF, or other supplemental funding e.g., CARES, CRRSA, ARP Supplemental Discretionary

Funds) should be reported in Section 11. All data provided in Section 11 should be cumulative amounts **as of September 30, 2021**. Specifically:

- Did the state or territory set up a grant program designed to sustain the child care supply or provide sustainability funding to child care providers due to the COVID-19 pandemic? If so, a description of the activity and which types of and how many providers were served is required.
- Did the State/Territory provide cleaning supplies and/or personal protective equipment (PPE) to child care providers either through funding or directly in-kind due to the COVID-19 pandemic? If so, a description of this activity and which types of providers were eligible is requested.

The form and instructions include a glossary section for uniform reporting. For any term not defined in the glossary, Lead agencies will use their own definition of terms to complete the QPR and describe that definition. When using state or territory specific acronyms, the acronym must be spelled out. Additional term reminders and clarifications:

- The term and definition for “legally exempt” was changed to “license-exempt” throughout the document to align with CCDF Plan language that refers to “license-exempt” providers.
- The definitions of “teacher” and “family child care provider” include assistants/aides.
- In item 2.1.3: “participants” refers to teachers/providers.
- In items 2.3, 2.4, and 2.5, “other” must be defined and distinct from the available options if a lead agency chooses to report this category of degree or professional development - Including an “other” category is optional. Assistants/aides should be included for licensed child care center teachers and family child care providers as appropriate for items 2.3 and 2.4 and all appropriate provider types for 2.5.
- Lead agencies should report on their own transparent system of quality indicators even if they do not have a Quality Rating and Improvement System (QRIS) or do not call it a QRIS even if that is not explicitly stated in the question. Programs that do not have a QRIS rating (because they are not participating OR because the state/territory does not have a QRIS) but are participating in a quality improvement initiative should consider this as “operating another system of quality improvement.”
- In items 4.5 and 4.6, answers should relate to the lead agency definition of “high quality care” (as reported prior to item 4.1).
- When reporting spending amounts in Section 5, CCDF quality spending amount should not include required 3 percent infant and toddler set-aside.
- When referring to “providers” in items 11.1.1 and 11.1.2, please report on the full range of providers who may have received funding even if they are not usually part of the subsidy system. Descriptions should NOT include any activities supported with ARP Stabilization funds (other than the 10 percent set-aside).

- For items 11.3 through 11.7 data should NOT include any activities supported with ARP Stabilization funds (other than the 10 percent set-aside).
- The term “DEI” in Section 11, item 11.5 refers to diversity, equity, and inclusion.
- For items 11.6 and 11.7, including “other” information is optional but must be described if included.

**Submission Deadline:** The due date for lead agencies to report QPR activities is the end of the calendar year, December 31, 2021.

**E-Submission:** Lead agencies will submit the QPR via electronic submission (“e-submission”) at: [https://extranet.acf.hhs.gov/stplan/STPLAN\\_Login.jsp](https://extranet.acf.hhs.gov/stplan/STPLAN_Login.jsp). This online tool reflects the approved QPR (ACF-218), which was sent for reference purposes only to lead agencies on November 10, 2021. In addition to this guidance, OCC will provide additional technical assistance for completing the QPR via the e-submission website.

**General Resources for Completing the QPR:**

- CCDF Final Regulations (2016) [https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdf\\_tracked\\_changes\\_of\\_existing\\_regulations.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdf_tracked_changes_of_existing_regulations.pdf)
- CCDBG Law (2014) [https://www.acf.hhs.gov/sites/default/files/documents/occ/child\\_care\\_and\\_development\\_block\\_grant\\_markup.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/child_care_and_development_block_grant_markup.pdf)
- CCDF Plan Preprint for FFY 2019-2021 [https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdbg\\_fy2019\\_2021\\_ccdf\\_plan\\_preprint.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdbg_fy2019_2021_ccdf_plan_preprint.pdf)
- ACF-218 – Annual Quality Progress Report (QPR) <https://www.acf.hhs.gov/occ/resource/acf-218-annual-quality-progress-report-qpr>

**Inquiries:** Please direct any questions to the Child Care Regional Program Manager in the appropriate ACF Regional Office. Contact information can be found on the [OCC website](#).

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